Value Chain Analysis and Point of Sale Opportunities for the Spencer Gulf King Prawn Fishery, Brussels Belgium

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AUSTRALIAN SEAFOOD COOPERATIVE RESEARCH CENTRE

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This project was conducted by Terry Richardson from the South Australian Prawn Co-operative Limited

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NON-TECHNICAL SUMMARY

PROJECT NO: Value Chain Analysis and Point of Sale Opportunities for the Spencer Gulf King Prawn Fishery, Brussels Belgium

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(PROJECT) OBJECTIVES OF RESEARCH TRAVEL GRANT/ INDUSTRY BURSARY: Visit the European Seafood Exposition in Brussels, Belgium and conduct targeted interviews with companies in the prawn chain in Europe to assess new opportunities for point of sale material or chain relationship development work relating to the Spencer Gulf King Prawn Fishery.

(PROJECT) OUTPUTS DEVELOPED AS RESULT OF TRAVEL GRANT/ INDUSTRY BURSARY: There was found to be no new ideas with actual point of sale material from the previous ESE (and also made by general observation of survey respondents) however two key relationship development opportunities in the retail chain were noted and are to be considered in the Spencer Gulf King Prawn Fishery Value Chain Project.

ABOUT THE PROJECT/ACTIVITY

BACKGROUND AND NEED: The author works for a prawn buying and processing company located in Port Lincoln, the South Australian Prawn Co-operative Limited, (SA Prawn Co-op). The SA Prawn Co-op is a member of the Australian Council of Prawn Fisheries who is an Australian Seafood Cooperative Research Centre participant. The SA Prawn Co-op is involved in the Spencer Gulf King Prawn Fishery Value Chain Analysis Project (2008/793.10). As part of that project the chain partners have been working together to provide point of sale material at supermarket level. The project also includes work on fostering chain relationships to retail sales level.

The opportunity arose to seek further ideas from the retail chain at the European Seafood Exposition in Brussels, Belgium. The surveys were designed by researchers on the current project so that the results could be adapted to the project.

RESULTS: Seven key interviews were held with representatives involved in the prawn industry in Europe. The companies represented were importers and distributors, re-processors or retailers.

The overall finding from the companies interviewed was that there were no significant innovations in relation to point of sale material from the previous ESE and in fact our project with the Spencer Gulf Prawn Fishery was seen as innovative to the majority of companies interviewed.

The author did not visit any supermarket stores to see packaging. This was noted in the report as a “Lesson Learned” so that in the future it is recommended that a visit to some of the retailing outlets be made to assess first hand any initiatives at a store level.

However, there were two ideas relating to the relationship work along the chain that are worthy of investigation.

1. The suppliers to the supermarket chains have their sales people liaise directly with each supermarket chain store and educate the managers on the new products. Whilst introducing the products at a “head office” level initially, the sales people then deal directly with each store to educate and launch. This involves dealing directly with the people selling the product rather than at an overall management level.

This idea if adopted in South Australia would provide a closer relationship between the supplier and the individual stores which could then in turn direct the sales activities where most product is purchased and focus on low consumption areas to increase consumption. It would also assist with understanding any issues with the product and also may initiate a more interactive staff that raises new ideas not currently explored. It could also lead to better educated staff (regardless of staff turnover) of South Australian prawns and therefore instigate better sales from staff and more confidence of the purchaser.

2. The suppliers will support the supermarket chains when they have their own “internal” expositions and conferences, and will also host the supermarkets at industry expositions ie ESE. This is regarded as part of the overall relationship building process.

In South Australia this idea could be developed with the Drakes Group who are a smaller retailing chain and would indicate the long term commitment that the seller is making to the retailer.

Refer to full surveys and report attached.

INDUSTRY IMPACT

PROJECT OUTCOMES (THAT INITIATED CHANGE IN INDUSTRY)

SUMMARY OF CHANGE IN INDUSTRY:

As part of the value chain analysis project the group will discuss the two opportunities to strengthen the supply chain relationship, the likely impact of those initiatives and approach the supermarket chain partner to pursue these.

Discussions are likely to take place in late May 2012 with the retailer.

WHAT FUTURE AND ONGOING CHANGES ARE EXPECTED?

It is expected that as a result of the new initiatives and the work with the chain partners, that the strengthened relationship in the chain will lead to further concepts being developed between the parties. Opportunities to pursue point of sale and in-store promotional work along with whole of industry chain initiatives would be the ideal result of the work so far.

WHAT BARRIERS ARE THERE FOR CHANGES TO OCCUR?

The main barrier to change will be in the retailer finding the time to assist in implementation of change. It is anticipated however that the proposed benefits of the change through increased sales will be incentive enough to find the time required.

The other possible barrier is any changes in the current personnel positions that could impact the relationships developed. It is intended to overcome this by involving more staff from each of the links in the chain.

IF NOT ALREADY HAPPENING, WHEN WILL THE CHANGES OCCUR?

The report has been distributed to the project partners and discussions with the retailer will take place in late May 2012 with a view to implementing some of the proposals through the remainder of 2012 and in to 2013.

WHAT IS THE LIKELIHOOD THAT THESE CHANGES WILL OCCUR?

Highly likely that at least one of the initiatives will be undertaken in the project currently in place.

WHAT BARRIERS ARE THERE TO ADOPTION OF THESE CHANGES AND WHAT ACTION COULD BE TAKEN TO OVERCOME THESE?

In addition to the time required as highlighted above, costs involved could prove to be a barrier. Through the strong existing relationships developed it is hoped that the financial costs can be negotiated to be shared by the parties reducing the overall costs to the individuals along the supply chain.

COMMUNICATION OF PROJECT/EXTENSION ACTIVITIES

WHAT IS THE OUTPUT THAT NEEDS TO BE COMMUNICATED?

A full report of the surveys and summary has been distributed to the project partners for review. The summary report detailed two possible initiatives for improvement of the value chain. Further, a meeting with the retailer will take place to discuss the opportunities (as previously discussed) and potential for moving forward with one of or both of the initiatives.

WHO IS/ARE THE TARGET AUDIENCE/S?

The project partners are:

Drakes Supermarkets
Spencer Gulf Prawn Fishermen's Association
South Australian Prawn Co-operative Limited
Researchers at Curtin University and University of Sunshine Coast

WHAT ARE THE KEY MESSAGES?

1. The current value chain project in the Spencer Gulf Prawn Fishery is highly innovative to the rest of the world.

2. The "new ideas" that exist from the surveys conducted in Europe involve strengthening the relationships in the supply chain through support in promotion to the end consumer.

WHAT IS THE CALL TO ACTION?

The project partners in the Spencer Gulf Prawn Fishery value chain project to support the new initiatives by looking at how they can support the retailers to promote our products to the end consumer, and in turn ensure strengthened relationships in the chain.

The findings from the project have been discussed with the Value Chain Project partners and initial discussions have taken place at retail level to see if we can incorporate them into the overall project. For example, we are endeavouring to organise some individual store promotional work that will be an educational based effort on product and use, and on the fishery as a whole. This program is likely to take place in July and will see closer work with the individual stores.

COMMUNICATION CHANNELS

(How can these messages be communicated and by who?):

Channel	*Who by*	*When*
Project Team	***Terry Richardson***	***May 2012***
Retailer	***Project Team to Retailer***	***May/June 2012***

LESSONS LEARNED AND RECOMMENDED IMPROVEMENTS

WHAT IS YOUR FEEDBACK?

The surveys were conducted at the European Seafood Exposition with willing company representatives however meeting times were short due to hectic meeting schedules. As a result replies to the survey may not have been as detailed as was hoped.

In future it is recommended that a visit to some of the retailing outlets be made to assess first hand any initiatives at store level currently being employed.

FURTHER ACTION REQUIRED IN REGARDS TO COMMERCIALISATION?

Nil

APPENDIX (IF APPLICABLE)

Interviews and overall summary